

**Stakeholder Group**  
**Categorization of Strategies to Eliminate the General Fund Structural Budget Deficit**  
**April-September 2008**

#	Date	Strategy	1	2	3	4	5	6	7	8
1	4/21/08	Utilize Financial Strategies that have positive Net Present Value (NPV) : Annual Prepayment of city's Pension Obligation	X							
2	4/21/08	Utilize Financial Strategies that have positive Net Present Value (NPV) : City to Issue Pension Obligation Bonds	X							
3	4/21/08	Formalize and Implement a Rigorous Asset Management Program	X							
4	4/21/08	Implement an Employee Suggestion and Process Streamlining Program	X							
5	4/21/08	Ensure current fees fully cover all costs			X					
6	4/28/08	Implement City-Wide Landscape And Lighting District Or Other Proposition 218 "Property-Related" Fees <i>[Considerable discussion about neighborhood-based districts rather than City-Wide. Needs further analysis of recent court decision]</i>	X					X?		
7	4/28/08	a) Shift Revenues from Construction and Conveyance Taxes from Capital Projects to Operations. b) Raise Conveyance Tax c) No increase-shift all revenues to General Fund d) No increase-Shift non-Parks allocations only. <i>[In relation to the November 2008 Ballot, should be considered in the future]</i>	X(a) X(b)	X(c) X(d)						
8	4/28/08	Increase Sales Tax to Provide Increased General Fund Revenues. <i>[In relation to the November 2008 Ballot, should be considered in the future.]</i>		X						
9	5/5/08	a) Restructure Business Tax Rates to Modernize and Reflect Current Business Profile b) Restructure Business Tax Formula. <i>[In relation to the November 2008 Ballot, should be considered in the future.]</i>		X(b)		X(a)				

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10	5/5/08	Increase Revenues From Visitors Who Benefit From General Fund Services: a) TOT Hotel Tax b) Establish Parking Tax c) Establish Vehicle Rental Tax. <i>[If state law permits, the vehicle rental tax strategy should be pursued. Potentially visit revising state law]</i>				X(a) X(b)		X(c)		
11	5/5/08	Modernize Utility Users Tax (UUT) and Consider Increase to Bring into Alignment with Other Large Cities <i>[Ballot measure to reduce the rate and update the Telephone Portion of UUT is included in the November 2008 Ballot]</i>	X							
12	6/2/08	Hire an outside auditor or use the City auditor to review the budget and make independent analyses and recommendations( like the Legislative Analyst's Office does for the State budget)	X							
13	6/2/08	a) Perform a special review of the projected fund balance b) Employ contingency budgeting (expenditure priorities if there is an excess balance.) If no excess balance occurs, the expenditures aren't approved. <i>[ See Council Policy 1-18 Section 4]</i>				X(a)		X(b)		
14	6/2/08	Adopt a budget policy that no additions can be made to the existing City services or projects unless the City Council has made a finding in public session that the proposed addition is of greater importance than bringing basic services to a satisfactory level. Full funding of priority services.	X							
15	6/2/08	a) Institute the use of benchmarking to ensure that the City is operating up to industry wide standards of effectiveness. b) Institute the use of benchmarking to establish performance targets for departments while providing staff at all levels with opportunities to suggest innovations to achieve specified objectives.	X(a) X(b)							

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16	6/2/08	Join with other jurisdictions to leverage buying power and reduce costs for standard purchases.	X							
17	6/2/08	Allow funds currently earmarked for public art to be used for any arts infrastructure project in the city, such as the construction of performance or exhibit space.								X
18	6/2/08	Adopt open government proposals that allow residents to meaningfully participate in city decision-making. <i>[Mayor's Reed-Reforms Community Budgeting; Sunshine Reforms]</i>						X		
19	6/2/08	Defer approval of capital projects unless resources for necessary operations and maintenance have been identified. <i>[General Obligation Bonds should include funding for maintenance costs. If possible, pursue opportunity to change State Law]</i> See Budget Principles in Mayor's March 2008 Budget Message	X					X		
20	6/2/08	Implement a two-year operating and project budgets cycle, like the City of Sunnyvale.	X							
21	6/2/08	The City should perform a careful analysis of public subsidies for events (e.g. Grand Prix) or projects (e.g. new scoreboard for the arena) to ensure that there is an adequate return for the taxpayer's investment. <i>[Pilot Cost-Benefit Policy requires it- If it becomes permanent, Stakeholder Group strongly supports]</i>						X		
22	6/2/08	Establish a Technology Advisory Council through which Silicon Valley businesses suggest ways the City can use technology to improve efficiency.				X				

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23	6/2/08	The City should establish fiscal plans that identify the timeline under which residents can expect relatively small scale improvements in services and infrastructure and the level of increased revenues that will be required before large scale expansions of infrastructure or services can be achieved. For example, what kind of new revenues would be needed to finance an addition of 300-400 new police officers?				X				
24	6/2/08	Spending reform implemented by the City to avoid future deficits.				X			X	
25	6/2/08	Place before the voters the option of creating a budget stabilization reserve, to be created out of one-time revenues or budget surpluses. No more than .5% of the General Fund per year shall be added to the reserve, and the reserve shall never exceed 1% of the General Fund. Proceeds from the fund shall only be used to retain City staff during cyclical budget downturns.				X				
26	6/2/08	Evaluate the possibility of <u>parcel taxes</u> to be applied to Council Districts or even smaller parts of the city to pay for priorities chosen by the residents of those areas. This strategy could be used for services not suitable for assessment districts.				X				
27	6/2/08	Finance improvements on major roadways and arterials with developer fees, where improvements are made necessary by specific project; with RDA funds where improvements produce primary benefits to a Project Area; and with construction taxes. Offer residents the opportunity to finance additional improvements with General Obligation bonds.				X				

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28	6/2/08	Include a provision in the City General Plan that all major Specific Plans such as Evergreen, Coyote Valley, etc. shall include mechanisms to ensure that the new development pays for associated new municipal infrastructure and that taxes and fees from the new development pay for the delivery of basic city services. The choice of funding mechanism can be tailored to the characteristics of the Specific Plan.			X					
29	6/2/08	Clarify the City's policy regarding the rezoning of industrial land for residential uses to indicate that "extraordinary benefit" means benefits to the City's General Fund.				X				
30	6/2/08	San Jose should implement land use policies and capital budget plans that enhance Smart Growth but do not burden the City's General Fund operating budget or cause reductions in city services.				X				
31	6/23/08	Economic development strategies need to be targeted towards businesses that produce general fund revenues. <i>[See City's Economic Development Strategy- 15 Strategic Initiatives distributed on 8/18/08]</i>						X		
32	6/23/08	Adopt a "Santana Row" retail strategy that places retail outlets on the city's periphery where they are most likely to attract purchases from residents of nearby jurisdictions.	X						X	
33	6/23/08	Revise the city's hotel strategy to permit additional hotels on the periphery of the city in order to increase TOT revenues.	X						X	

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34	6/23/08	Coordinate City economic development programs with San José State University to maximize benefits from the university's capacities as a research center and as a major contributor to training the region's skilled workforce.							X	
35	6/23/08	Establish an Economic Development Advisory Committee to solicit and evaluate economic development proposals from community organizations, businesses, and the public at large. <b>AND</b> Design programs that encourage the growth of small businesses, including strategies to assist such firms in securing city contracts. <i>[Stakeholder Group expresses interest in assisting the development of small businesses]</i>				X				
36	6/23/08	a) Direct the city's economic development strategy to emphasize the generation of high-quality jobs with good wages and benefits. b) Expand the city's Living Wage policies to include additional firms, thereby increasing the number of self-sufficient households in San José neighborhoods. c) Modify the enforcement of the city's prevailing wage regulations to target contracts in which violations are more likely to occur while reducing resources focused on contracts such as Project Labor Agreements which have their own alternative enforcement mechanisms.			X					
37	6/23/08	Sales taxes should be expanded to services. As that occurs, the sales tax rate can be somewhat reduced. <i>[Sales tax set by State, should be looked at from City's Legislative Priorities perspective.]</i>						X		

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38	6/23/08	Identify strategies that require state legislative approval and advocate for policy changes that will help address the structural deficit including strongly supporting state legislation or state initiatives to reform California's public finance system. <i>[Should be looked at from City's Legislative Priorities perspective.]</i>						X		
39	6/23/08	When property has not been reassessed in 10 years, its assessed value shall be increased by 10% provided that the new value is not greater than market value and the new value is not greater than the cumulated 2% annual increase plus the rate of inflation over the 10 year period. <i>[Requires change to Proposition 13, should be looked at from City's Legislative Priorities perspective.]</i>						X		
40	6/23/08	Once every 6 years, local governments should be allowed to place a special tax before the voters that can be adopted by 50% of the voters plus one. <i>[Requires State Constitutional Amendment- Proposition 218] [Should be looked at from City's Legislative Priorities perspective.]</i>						X		
41	6/23/08	Public Safety parcel tax or a modification in the utility tax to cover inter-state and international phone calls. -Offer the voters the opportunity to significantly increase the size of the San José police force and meet critical needs in the fire department and other emergency services departments.			X					
42	6/23/08	Reinstate the program through which the RDA pays the park impact fees on affordable housing projects financed with RDA resources.			X					X

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43	6/23/08	Whenever feasible, employ RDA resources in energy conservation and clean energy projects.						X		X
44	6/23/08	Evaluate hiring a Grants Development professional the cost of which would be covered by the generation of new revenues.	X							X
45	6/23/08	Increase the Card Room business tax and increase the number of tables in a Card Room.	X							
46	7/7/08	Re-invest funds generated by energy conservation or other environmental programs that reduce costs into further efforts to improve environmental quality.							X	
47	7/7/08	Increase penalties for code enforcement violations and use fees to pay for additional personnel			X					
48	7/7/08	Examine the relationship between the Airport and the city to determine if there are ways to generate additional revenues to the General Fund				X				
49	7/7/08	Downtown Entertainment Zone Cost Recovery Strategy					X			
50	7/21/08	Performance Auditing					X			
51	7/21/08	Shift Healthy Neighborhood Venture Funds (HNVF) funds to the General Fund			X					

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52	7/21/08	Implement Competitive Sourcing			X					
53	8/4/08	Controlling the Largest Component of General Fund Cost Increases-Personnel Expenditures. [ <i>Labor Relations Presentation</i> ]					X			
54	8/4/08	Change prevailing wage applications for Service Contracts			X					
55	8/18/08	Economic Development Strategy [ <i>Presentation</i> ]					X			
56	8/18/08	Maximizing the Redevelopment Agency's Contribution to the General Fund [ <i>Presentation</i> ]					X			
57	9/8/08	Change California Local Government Finance System [ <i>See 6/23 # 37- 40</i> ]	X						X	
58	9/8/08	Identify Priority Municipal Services and Elements of a Potential Priority Setting Framework	X							
59	9/8/08	Consider Two-Tier Retirement Plan					X			

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